



State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF STATE AND LOCAL FINANCE • BUREAU OF PROPERTY TAX • MANUFACTURING / UTILITY SECTION •
2135 Rimrock Road • MS 6-97 • P.O. Box 8971 •
Madison, WI 53708-8971

December 2005

TO: F.E.R.C. Pipeline Companies (Formerly I.C.C.)

FROM: WI Department of Revenue
Bonnie Rongstad

RE: 2006 Annual Reports

Your 2006 Pipeline Annual report, Form PI-001 is on the website at www.dor.state.wi.us/ust/index. Click on **Pipeline** to find the correct form. You are required to file one copy of your latest annual report to the F.E.R.C. and one copy of the Annual Report Form PI-001 with this Department on or before **May 1**.

A 30-day extension for filing the report and schedules may be granted by going to www.dor.state.wi.us/ust/pipe and applying for an extension provided the request is made before the due date. Section 76.04 of the Wisconsin Statutes requires imposition of a \$250 non-contestable penalty for any report filed more than 15 days after the due date, and \$250 for each subsequent month or part thereof, that failure to file continues. Rules for reporting are found on page 2 of the annual report form, PI-001.

Please note that all applicable information required in the annual report and this letter is mandatory under authority of sec. 76.04, Wisconsin Statutes. If you refuse or neglect to report the information requested above, your company shall be estopped to question the value as determined by the Department of Revenue pursuant to sec. 76.05, Wisconsin Statutes.

NEW THIS YEAR Schedule A-7

eff. 1-1-06 by 2005 Wis. Act 25 requires Terminal property information.

76.16 Separate valuation of repair facilities, docks, piers, wharves, ore yards, elevators, car ferries and oil pipeline terminal facilities. After the property of a company is first valued as a whole, if any repair facilities, docks, ore yards, piers, wharves, grain elevators or car ferries used in transferring freight or passengers between cars and vessels or transfer of freight cars located on car ferries, or if any oil pipeline terminal facilities shall be included in such valuation, then for the purpose of accounting to the proper taxation districts, the department shall make a separate valuation of each such repair facility, dock, ore yard, pier, wharf, grain elevator, including the approaches thereto, or car ferries and of each oil pipeline terminal facility. As used herein, an approach shall be an immediate access facility commencing at the switching point which leads primarily to the terminal facility. For the purpose of defining the oil pipeline terminal facilities affected by this section, such facilities shall begin where the incoming pipeline enters the terminal storage facility site.

Section 76.30 of the Wisconsin Statutes provides for confidentiality of all information provided by your Company.

Instructions for the estimated payment will be sent to you from the Wisconsin Department of Revenue prior to the installment due date of May 10.

If you have any questions please contact us at:

TEL: (608) 266-8162

FAX: (608) 264-6887

EMAIL utility@dor.state.wi.us

PIPELINE
ANNUAL REPORT
OF

Name _____

Principal Office _____

For the Year Ended _____

A/C File No. _____ Year _____

TO
**Wisconsin Department
of Revenue**

DO NOT ROLL OR FOLD

THE PENALTY FOR FILING THIS REPORT AFTER MAY 1, IS \$250 PER MONTH

GENERAL RULES FOR REPORTING

1. In filling out this report, use ink or typewriter. When additional space is required, bind inserted pages in this report.
2. The report should be completed in all particulars. If any schedule is inapplicable so far as the respondent is concerned, the words "not applicable" should be inserted therein. If, however, the information called for in the schedule is applicable, it should be fully reported or else definite reasons given for such omission.
3. All negative amounts should be in parenthesis, or otherwise clearly designated.
4. This report is due on or before May 1. The penalty for filing after this date is \$250 per month. An extension of time for filing not to exceed 30 days may be had without penalty only upon written request for same made before May 1.
5. A copy of the Annual Report to Stockholders should be filed with this report or as soon as available thereafter.

REPORT OF FINANCIAL AND OPERATING STATISTICS FOR PIPELINE COMPANIES

Year ended _____, 20____

(Full name of reporting company)

(FEIN Number)

Forms and related publications
are available on our website at
<http://www.dor.state.wi.us>

CERTIFICATION

I, the undersigned _____
(Title of officer in charge of accounts)

of the _____
(Full name of reporting company))

do certify that this report and all schedules and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, surplus, and operating statistics for the periods reported in the several schedules; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in explanations accompanying the financial and statistical statements.

(Signature)

Date _____, 20____

(Post Office Address)

Address all correspondence concerning this report to:

(Name)

(Street)

(City)

(State)

(Zip)

(Telephone)

(Fax)

(Email)

Name of person who shall receive notice of assessment:

(Name)

(Street)

(City)

(State)

(Zip)

(Telephone)

(Fax)

(Email)

Name of person to whom tax billing shall be sent:

(Name)

(Street)

(City)

(State)

(Zip)

(Telephone)

(Fax)

(Email)

Name of person to whom next year's report shall be sent:

(Name)

(Street)

(City)

(State)

(Zip)

(Telephone)

(Fax)

(Email)

SPECIFIC INSTRUCTIONS FOR THE PREPARATION OF THE ANNUAL REPORT OF PIPELINES

Under authority of Section 76.07(5)(b) of the Wisconsin Statutes, Wis. Admin. Code Section Tax 6.50 enumerates many factors we must consider in forming our opinion of the fair market value for the operating property of pipeline companies. Accordingly, please provide us the following information, where applicable to your company.

1. A copy of the latest Form 10-K filed with the SEC.
2. A copy of the latest annual report to stockholders.
3. A copy of the latest F.E.R.C. Valuation Docket.
4. An **estimate** of the F.E.R.C. Valuation for the year just ended at December 31.
5. On Schedule A-4 and A-5, list
 - ✓ leased real and personal property in Wisconsin, including the name and address of the lessor;
 - ✓ description of the property;
 - ✓ date and term of the lease;
 - ✓ annual rental;
 - ✓ maintenance charge included in the annual rental, if any; and
 - ✓ the location of such property.

Real property that is leased should be reported on Schedule A-1 as well.

6. A breakdown of account 670 "Income Taxes on Ordinary Income" and account 671 "Provision for Deferred Taxes" which shows that amount of state income taxes applicable to "Net carrier operating income" as reported in your annual report to the F.E.R.C. for the current year.
7. A copy of any written offer to purchase your pipeline, segment, or division thereof within the past year. This disclosure requirement also includes any offer to purchase controlling interest in your corporation's stock or that of your parent company.
8. Any appraisal or valuation report of your company, segment, or division thereof that was prepared for your company within the past five years.
9. Your projections of net operating revenue for the next five years. For these projections, include total operating revenues and operating expenses.
10. A list of assets that have been written down or written off in the past year, describing the nature and dollar amount of each.
11. Your oil pipeline terminal facilities.

Note that all applicable information in the annual report is required by sec. 76.04, Wis. Stats. If you refuse or neglect to report the information requested above, your company shall be estopped to question that value as determined by the Department of Revenue pursuant to sec. 76.05, Wis. Stats.

NAME OF COMPANY _____

20 _____ Assessment

F.E.R.C. PIPELINE ALLOCATION

PURSUANT TO WISCONSIN STATUTES s. 76.07(4g)(d)

(Account number references are to the F.E.R.C. Annual Report)

Property Investment

	SYSTEM		WISCONSIN		% Wisconsin on Net Book Value
	Book Cost	Net Book Value	Book Cost	Net Book Value	
GRAND TOTAL PROPERTY					
PLUS: Material and supplies (A/C 17)					
Leased real property (Submit separate schedule)					
Other: (Submit separate schedule)					
LESS: Vehicles and other work equipment					
ADJUSTED TOTAL PROPERTY (Line 1)					(A)
Barrel miles					(B)
Weighted average [(A x 3) + (B x 1) ÷ 4]					(C)

	System Book Cost	% to Total	Wisconsin Book Cost	% of System Total	% Wisconsin Pipe
Line of pipe (A/C 152, 153, 154, 155) (Line 2)		(D)			(E)
Other property (Line 1 – Line 2) (Adj. total orig. cost property less line of pipe) .				(F)	
ADJUSTED TOTAL PROPERTY (Same as Line 1 above)		100.00			

	System	Wisconsin	% to Wisconsin
Barrels received			
Barrels delivered			
TOTAL RECEIVED AND DELIVERED			(G)

WEIGHTING FOR ACTIVITY

Property	75% x (E) _____	=	_____
Barrel miles	20% x (B) _____	=	_____
Barrels received and delivered	5% x (G) _____	=	_____
(H) TOTAL			_____
(I) ALLOCATION OF PIPE (H _____ X D _____) =			_____
(J) ALLOCATION OF OTHER PROPERTY (F) =			_____
WISCONSIN ALLOCATION (I + J)			_____

**INSTRUCTIONS FOR PREPARING
F.E.R.C. SCHEDULES A-1, 1-2 AND A-3**

Schedule A-1

Grand total property is the amount carried over from Schedules A-2 and A-3. Vehicles and other work equipment is that property which is licensed for highway use included in Accounts 115, 165 and 185.

"Line of Pipe" is the sum of Accounts 152, 153, 154 and 155 on the book cost basis. Other property is the difference between "Adjusted Total Property" at line 1, less "Line of Pipe" at line 2. The "% of Wisconsin Pipe" designed as (E) is the Wisconsin book cost of "Line of Pipe" to the System book cost of "Line of Pipe."

Schedule A-2 and A-3

The book cost and net book value shall be obtained from your books and records of December 31.

NAME OF COMPANY _____

20 ____ Assessment

**F.E.R.C. PIPELINE
INVESTMENT IN CARRIER PROPERTY – WISCONSIN**

Account		Book Cost	Net Book Value 12-31
GATHERING LINES			
101	Land		
102	Right of way		
103	Line pipe		
104	Line pipe fittings		
105	Pipeline construction		
106	Buildings		
107	Boilers		
108	Pumping equipment		
109	Machine tools and machinery		
110	Other station equipment		
111	Oil tanks		
112	Delivery facilities		
113	Communication systems		
114	Office furniture and equipment		
115	Vehicles and other work equipment		
116	Other property		
	TOTAL		
TRUNK LINES			
151	Land		
152	Right of way		
153	Line pipe		
154	Line pipe fittings		
155	Pipeline construction		
106	Buildings		
157	Boilers		
158	Pumping equipment		
159	Machine tools and machinery		
160	Other station equipment		
161	Oil tanks		
162	Delivery facilities		
163	Communication systems		
164	Office furniture and equipment		
165	Vehicles and other work equipment		
166	Other property		
	TOTAL		
GENERAL			
171	Land		
176	Buildings		
179	Machine tools and machinery		
183	Communication systems		
184	Office furniture and equipment		
185	Vehicles and other work equipment		
186	Other property		
187	Construction work in progress		
	TOTAL		
	GRAND TOTAL		

**F.E.R.C. PIPELINE
INVESTMENT IN CARRIER PROPERTY – SYSTEM**

Account		Book Cost	Net Book Value 12-31
GATHERING LINES			
101	Land		
102	Right of way		
103	Line pipe		
104	Line pipe fittings		
105	Pipeline construction		
106	Buildings		
107	Boilers		
108	Pumping equipment		
109	Machine tools and machinery		
110	Other station equipment		
111	Oil tanks		
112	Delivery facilities		
113	Communication systems		
114	Office furniture and equipment		
115	Vehicles and other work equipment		
116	Other property		
TOTAL			
TRUNK LINES			
151	Land		
152	Right of way		
153	Line pipe		
154	Line pipe fittings		
155	Pipeline construction		
106	Buildings		
157	Boilers		
158	Pumping equipment		
159	Machine tools and machinery		
160	Other station equipment		
161	Oil tanks		
162	Delivery facilities		
163	Communication systems		
164	Office furniture and equipment		
165	Vehicles and other work equipment		
166	Other property		
TOTAL			
GENERAL			
171	Land		
176	Buildings		
179	Machine tools and machinery		
183	Communication systems		
184	Office furniture and equipment		
185	Vehicles and other work equipment		
186	Other property		
187	Construction work in progress		
TOTAL			
GRAND TOTAL			

WISCONSIN – LEASED PERSONAL EQUIPMENT

Schedule A-4

NAME OF COMPANY _____

20_____ Assessment

[illegible]

Schedule A-5

20 Assessment

[illegible]

Schedule A-6

Wisconsin Licensed Motor Vehicles (Per Section 70.112(5), Wis. Stats.)

Wisconsin Computers (Per Section 70.11(39), Wis. Stats.)9

WISCONSIN EXEMPT PROPERTY (Cont'd.)
(Per Section 76.025, Wisconsin Statutes)

Schedule A-6

NAME OF COMPANY _____ 20__ Assessment

Wisconsin Treatment Plant and Pollution Abatement Equipment (Per Section 70.11(21)(1), Wis. Stats.)

[illegible]

OIL PIPELINE TERMINAL FACILITIES ON DECEMBER 31, _____

Schedule A-7

List Items Consecutively by Municipality of Location, Use Department of Revenue's Identification Numbers (a)		Original Cost of Land (b)	Original Cost of Improvements (c)	Reserve for Depreciation (d)	Columns (b) plus (c) minus (d) (e)	Percent Condition (f)	Rent Income For Ore Docks Use Gross Dockage Rev. (g)
1	Property	\$	\$	\$	\$		\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							

ADDITIONS AND RETIREMENTS TO TERMINAL PROPERTY DURING YEAR

33	Identify items as above						A - Addition
34							R - Retirement
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							
51							